IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.287 OF 1997

The Commissioner of Income Tax
Nashik .. Applicant.

V/s.

Kannad SSK Ltd., Kannad .. Respondent.

Mr.A.S. Rao with Mr.Pankaj Kapoor for the applicant.

Mr.S.N. Inamdar with Mr.P. Vaidya for the respondent.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 26TH APRIL, 2005.

P.C. :

1. Heard the learned counsel for the parties. The Tribunal has referred following questions for the opinion of this Court, reading as under :

> Whether on the facts and in the circumstances of the case the ITAT relying on the decision of its Special Bench in the case of Shri Chhatrapati SSK Ltd. (198 ITR 78 - AT) was right in deleting the following additions by holding that the various funds and deposits collected by the assessee society out of the sugarcane purchase price payable to the cane growners are not trading receipts of the assessee.

	Assessment Year 1986-87	1987-88
1. Non-refundable deposits	2635400	1102370
2. C.M. Relief Fund	90528	-
3. Hutment fund	90528	-
4. Cane development fund	364165	110880
5. Y.B. Chavan Memo. fund	189632	-

6. Scarcity Deve. fund	-	111761
7. Interest on NRD	-	838465

2. In so far as all other items except cane development fund, interest on NRD and scarcity development fund are concerned, the issue is covered by the decision of the Apex Court in the case of **Siddheshwar S.S.K. Ltd. V/s. CIT [(2004) 270 ITR 1 (SC)]** in favour of the assessee and against the revenue. So far as Cane Development Fund, interest on NRD and scarcity development fund are concerned, the issues will have to be referred back to the Tribunal for consideration afresh as per the judgment of the Apex Court in the case of Siddheshwar S.S.K. Ltd. (supra) as such the said issues stand remitted back to the Tribunal for consideration afresh.

3. The reference is disposed of in the above terms with no order as to costs.

(V.C. DAGA, J.)

(J.P. DEVADHAR, J.)